

MIRA INFORM REPORT

Report No. :	532100
Report Date :	26.09.2018

IDENTIFICATION DETAILS

Name :	DEAD SEA WORKS LTD.
Registered Office :	P.O. Box 75 (8410001), 1 Menahem Kroitzer Street, Potash House, Beer Sheva 8489414
Country :	Israel
Financials (as on) :	31.12.2017 (Consolidated)
Year of Establishment :	1930
Legal Form :	Public Limited Company
Line of Business :	Producers, manufacturers, exporters and marketers of potash and other chemicals
No. of Employees :	17000

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES:

Any query related to this report can be made on e-mail: infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Israel	B1	B1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

ISRAEL - ECONOMIC OVERVIEW

Israel has a technologically advanced free market economy. Cut diamonds, high-technology equipment, and pharmaceuticals are among its leading exports. Its major imports include crude oil, grains, raw materials, and military equipment. Israel usually posts sizable trade deficits, which are offset by tourism and other service exports, as well as significant foreign investment inflows.

Between 2004 and 2013, growth averaged nearly 5% per year, led by exports. The global financial crisis of 2008-09 spurred a brief recession in Israel, but the country entered the crisis with solid fundamentals, following years of prudent fiscal policy and a resilient banking sector. Israel's economy also weathered the 2011 Arab Spring because strong trade ties outside the Middle East insulated the economy from spillover effects.

Slowing domestic and international demand and decreased investment resulting from Israel's uncertain security situation reduced GDP growth to an average of roughly 2.8% per year during the period 2014-17. Natural gas fields discovered off Israel's coast since 2009 have brightened Israel's energy security outlook. The Tamar and Leviathan fields were some of the world's largest offshore natural gas finds in the last decade. Political and regulatory issues have delayed the development of the massive Leviathan field, but production from Tamar provided a 0.8% boost to Israel's GDP in 2013 and a 0.3% boost in 2014. One of the most carbon intense OECD countries, Israel generates about 57% of its power from coal and only 2.6% from renewable sources.

Income inequality and high housing and commodity prices continue to be a concern for many Israelis. Israel's income inequality and poverty rates are among the highest of OECD countries, and there is a broad perception among the public that a small number of "tycoons" have a cartel-like grip over the major parts of the economy. Government officials have called for reforms to boost the housing supply and to increase competition in the banking sector to address these public grievances. Despite calls for reforms, the restricted housing supply continues to impact the well-being of younger Israelis seeking to purchase homes. Tariffs and non-tariff barriers, coupled with guaranteed prices and customs tariffs for farmers kept food prices high in 2016. Private consumption is expected to drive growth through 2018 with consumers benefitting from low inflation and a strong currency.

In the long term, Israel faces structural issues, including low labor participation rates for its fastest growing social segments - the ultraorthodox and Arab-Israeli communities. Also, Israel's progressive, globally competitive, knowledge-based technology sector employs only about 8% of the workforce, with the rest mostly employed in manufacturing and services - sectors which face downward wage pressures from global competition. Expenditures on educational institutions remain low compared to most other OECD countries with similar GDP per capita.

Source : CIA

COMPANY NAME AND ADDRESS

DEAD SEA WORKS LTD.

Telephone 972 8 646 53 51 (Beer Sheva)

972 8 997 75 55 (Sodom)

Fax 972 8 646 55 09

E-mail: info@dead-sea.net; info@iclfertilizers.com

P.O. Box 75 (8410001)

1 Menahem Kroitzer Street, Potash House

BEER SHEVA 8489414 ISRAEL

HISTORY & LEGAL FORMATION

Originally established as a public limited company, registered as such as per file No. 52-001937-3 on the 26.06.1952, continuing activities which began in 1930.

At a later date subject published a prospectus offering shares to the public.

In 1999 OFER Group acquired ISRAEL CORP. from Eizenberg family.

In March 2000, following a successful tender offer for subject's shares held by the public, parent ISRAEL CHEMICALS LTD. gained full control of subject (it purchased 10.8% of subject's shares from the public, for NIS 584 million), Consequently, subject's shares were de-listed from the Tel Aviv Stock Exchange.

On 10.02.2004 converted into a private limited company (keeping same registration number).

SHARE CAPITAL

Authorized share capital NIS 650,000,000.00, divided into -

649,999,999 ordinary shares (309,093,148 shares issued), 1 special share (issued), all of NIS 1.00 each, of which shares amounting to NIS 309,093,149.00 were issued.

SHAREHOLDERS

Subject is a fully owned by ISRAEL CHEMICALS LTD. (ICL), a public limited company whose shares are traded on the Tel Aviv Stock Exchange (TASE) and the New York Stock Exchange (NYSE:ICL). ICL is controlled (46%) by ISRAEL CORPORATION LTD., also publicly traded on TASE, controlled (47%) by MILLENIUM INVESTMENTS ELAD LTD., owned (via owned firms) 90% by Idan Ofer (who also holds 5% in ISRAEL CORP.) and 10% by Udi Angel.

The State of Israel holds one single special share in subject (given the fact subject holds rights on Israel national resource).

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In February 2018 POTASH CORPORATION OF SASKATCHEWAN (PCS) realized its 13.8% of ICL (to institutional bodies) for circa US\$ 700 million.

SOLE DIRECTOR

Ofer Lifshitz, General Manager of subject and Essential Minerals Division.

BUSINESS

Subject is part of ICL Potash, of the Essential Minerals Division – consisting of potash & magnesium and phosphates (as of 1.5.2016, following reorganization in ICL Group). Producers, manufacturers, exporters and marketers of potash and other chemicals from the Dead Sea, the largest solar evaporation pond array in the world (3.7 million tons per year). Mineral excavation concession from the State in the Dead Sea is till 2030. 80% of ICL's potash manufacturing capabilities are in subject's Sodom plant.

Some 95% of sales are for export, mainly to Europe, Brazil, India and China.

Potash is also extracted via subsidiaries in mines in Spain and U.K.

Among main local customers: HAIFA CHEMICALS.

Among local suppliers: BECHOR IMPORT, M.T.R INDS., HAL-DOR, YAMATON, ADRES STEELS, MER TERRE MARITIME, DORMEX, ELKAYAM METAL INDS., NIR FLOORING, LYA CO., AFIC PRINTING PROD., POLAK BROS. IMPORT AGENCIES, B.F. IMPORT & GENERAL TRADE, ATEKA, VULCAN FOUNDRIES, ITZHAK SHINITZKY, PELSHAR MATERIAL HANDLING, U.M.I, A.M. MAINTENANCE, GOLD BAR, GETTER GROUP, S.A.C.F. ENGINEERING, MODCHEM, HABONIM CAST PROD., ORAD CONTROL SYSTEMS, SUPERGUM INDS., DELEK INDUSTRIES, AFCON, FINKELSTEIN CASTINGS, ELTRON, PETRUS TECHNICAL SUPPLY, PURE CHEMICALS, TIMCOM TECH., A.D. SINUN, MARLOV, etc.

Operating from premises, owned by the Group on leased land, plants on area of 1,217 thousand sq. meters, near the Dead Sea (Sodom) and offices in Potash House, 1 Menahem Kroitzer Street, Beer Sheva.

Also operating from large potash plants in Spain and the UK. ICL headquarters are situated in 23 Osvaldo Aranya Street, Millenium Tower, Tel Aviv.

In addition, operating from offices of subsidiaries and affiliated worldwide.

Having some 1,700 employees. Having some 13,000 employees serving ICL Group (of which over 4,700 in Israel, as of 2016), of which some 7,000 employees in the Essential Minerals Div.

MEANS

Financial data is included in the consolidated B/S of parent company, ISRAEL CHEMICALS LTD., which shows:

	<u>US\$ (millions)</u>	
	<u>31.12.2016</u>	<u>31.12.2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents	87	83
Investments and short term deposits	29	90
Trade receivables	966	932
Inventories	1,267	1,226
Other receivables	<u>222</u>	<u>394</u>
	2,571	2,725
Non-current assets:		
Investments and other non-current assets	848	746
Property, plant & equipment	4,309	4,521
Intangible assets	<u>824</u>	<u>722</u>
	<u>5,981</u>	<u>5,989</u>
	8,552	8,714
	=====	=====
LIABILITIES		
Current liabilities	2,023	2,328
Non-current liabilities	3,870	3,456
Equity	<u>2,659</u>	<u>2,930</u>
	8,552	8,714
	=====	=====

ICL's current market value US\$ 5,670.6 million.

In 2013 ICL raised US\$ 275 million in private placement of bonds.

In September 2014 ICL published a prospectus to the SEC, listing its shares on the NYSE, raising US\$ 550 million, and further US\$ 800 million raised in a private placement to institutional investors in December 2014.

In November 2017 Maalot S&P Global Rating ratified ICL's local rating at iIAA with Stable Outlook, and ICL's international corporate credit rating at BBB- with a stable outlook, ratified by FITCH in March 2018.

Subject is an "Approved Enterprise", and as such enjoys State benefits and tax incentives. In 2000, the Israel Investment Center (IIC) approved investment plans of subject and sister company DEAD SEA BROMINE, in sum of US\$ 140 million. In 2003, IIC approved a further US\$ 14 million investment plan in the expansion of subject's plant.

According to the financial statements of parent ICL, as of 31.12.2014 (last published) total assets attributed to the Potash segment (practically subject and subsidiaries) totaled US\$ 2,951.4 million; Total liabilities US\$ 566.1 million.

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There are 2 charges (placed in 2010 and September 2015) for unlimited amounts registered on the company's assets, in favor of CRYSTAL PURCHASING LTD.

REVENUES

Subject pays royalties to the State of Israel as part of the rights given for mineral production from the Dead Sea (see more CHARACTER).

Sales of potash (ICL-Potash), produced in Israel, UK (CLEAVLAND POTASH), Spain (IBER POTASH) (external – mostly- and internal customers sales):

2014 sales were US\$ 1,816 million, operating income of US\$ 536.5 million.

2015 sales were US\$ 1,450 million, making an operating income of US\$ 645 million. The decrease in revenues in the period stems chiefly from the impact of the strike in subject which brought a decrease of US\$ 315 million in revenues.

2016 sales were US\$ 1,285 million, making a gross profit of US\$ 513 million and an operating income of US\$ 291 million. Decrease in sales stemmed mainly from decrease in potash prices.

2017 sales were US\$ 1,330 million, making a gross profit of US\$ 555 million and an operating income of US\$ 303 million.

ISRAEL CHEMICALS LTD.
Consolidated Statement of Income

	<u>US\$ (millions)</u>		
	<u>Year ended 31.12</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Sales	5,405	5,363	5,418
Gross profit	1,803	1,660	1,672
Operating income (loss)	765	(3)	629
Income (loss) before income taxes	668	(117)	505
Net income (loss)	506	(172)	347
	=====	=====	=====

The loss in 2016 was due to large write-offs related to the termination of certain projects. 54% of 2016 revenues derived from production activities outside Israel.

ICL returned to profitability in 2017 due to streamlining and rise in potash prices.

ICL Essential Minerals Segment 2017 sales were US\$ 3,008 million.

OTHER COMPANIES

Subject's owned subsidiaries (main ones, among others):

ASHLEY CHEMICALS (HOLLAND) B.V.,

CLEAVLAND POTASH LIMITED (CPL), UK, holds, in UK: ICL IBERIA LTD., EVERRIS LTD, AMEGA SCIENCES HOLDING LTD, AMEGA SCIENCES PLC, NUTRIET SIENCES LTD, and in Spain: ICL IBERIA SCS, IBER POTASH S.A., TRAFICO D MARCINANCE S.A., ABSIA SL, FUENTES FERTILIZANTES SL.

DEAD SEA MAGNESIUM LTD. (DSM), producers of magnesium extracted from the Dead Sea, manufacturers, exporters, marketers of magnesium related products.

ISRAEL CHEMICALS LTD. (ICL), parent holding company. Main subsidiaries (100%, unless otherwise stated):
ROTEM AMFERT NEGEV LTD., producers, exporters and marketers of a varitey of products based on phosphate rock mined in the Negev Desert, including phosphate fertilizers, phosphoric acid and specialty fertilizers

DEAD SEA BROMINE COMPANY LTD. (DSBG)

BROMINE COMPOUNDS LTD. (BC), manufacturers and marketers of bromine compounds and other industrial chemicals based on the Dead Sea minerals BROMINE COMPOUNDS MARKETING (2002) LTD., marketing arm of a/m

TETRABROM TECHNOLOGIES LTD., fire-retardants manufacturers,
FERTILIZERS AND CHEMICALS LTD., manufacturers, importers and marketers of fertilizers and chemicals, mainly for the agriculture sector

MIFALEI TOVALA LTD., land transportation, bulk transportation

ASHLEY CHEMICALS (HOLLAND) B.V.

ICL EUROPE COOPERATIEF U.A., the Netherlands

ICL-IP EUROPE B.V., the Netherlands

ICL IP TERNEUZEN B.V., the Netherlands

ICL FERTILIZERS EUROPE C.V., the Netherlands

ICL FINANCE B.V., the Netherlands

EVERRIS INTERNATIONAL B.V., the Netherlands

CLEARON CORP., USA

PHOSPHORUS DERIVATIVES INC, USA

ICL PERFORMANCE PRODUCTS INC., USA

ICL-IP AMERICA INC., USA

EVERRIS N.A. INC, USA

B.K. GIULINI GmbH, Germany

ICL HOLDING GERMANY GMBH, Germany

ICL IP BITTERFELD GMBH, Germany

PROLACTAL GMBH, Germany

ICLEAVLAND POTASH LTD. (CPL), UK

ICL BRASIL, LTDA, Brazil

ICL (SHANGHAI) INVESTMENT CO. LTD, China

ICL FRANCE S.A.S, France

YUNNAN PHOSPHATE HAIKOU CO. LTD., 50%, China

ICL ASIA LTD., Hong Kong

ALLANA POTASH AFAR PLC, Ethiopia.

Other smaller Israeli subsidiaries:

IMI TAMI INSTITUTE FOR RESEARCH & DEVELOPMENT LTD.

CHEMADA FINE CHEMICALS LTD., 26%

DEAD SEA PRICLASE FUSED PRODUCTS, General Partnership

NEGEV STAR LTD.

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EDOM MINERALS & DEVELOPMENT LTD.

ISRAEL CORP. LTD. (IC), a holding company, current market value US\$ 1,464 million. Its main holding, besides ICL, is 37.1% in OIL REFINERIES LTD., oil refiners, also publicly traded on TASE, current market value US\$ 1,444 million.

KENON HOLDINGS LTD., controlled (58%) by Idan Ofer, publicly traded on NYSE and via TASE, a holding company, current market value US\$ 857 million.

BANKERS

Bank Leumi Le'Israel Ltd., Beer Sheva Business Branch (No. 607), Beer Sheva.

Bank Hapoalim Ltd., Beer Sheva Business Branch (No. 177), Beer Sheva.

Above are main branches (90% of activities), also working with:

Mizrahi Tefahot Bank Ltd., Beer Sheva Business Center Branch (No. 426), Beer Sheva, account No. 53596 (a check with the Central Banks' database did not reveal anything detrimental on subject's a/m account).

Israel Discount Bank Ltd., Lev Ha'ir Beer Sheva Branch (No. 517), Beer Sheva.

The First International Bank of Israel Ltd., Main Branch (No. 46), Tel Aviv.

CHARACTER AND REPUTATION

On 21.09.14 a motion for approval as class action lawsuit was filed against subject to the District Court on NIS 96.4 million, claiming of abusing monopoly position in the supply of potash to the local market, setting too high prices.

On 01.02.17 the Court approve a settlement, in which subject will pay the plaintiff group total of US\$ 5.5 million compensation and framework for future price defined.

Subject was declared monopoly in Israel for part of its products. ICL and the State are negotiating the terms of extending ICL's excavation rights in The Dead Sea.

On that background, a fierce dispute erupted in 2009 between HAIFA CHEMICALS LTD (HCL), manufacturers of KNO₃, and ICL – via subject, a main HCL supplier of potash. The dispute went to arbitration, and in March 2014 the arbitrator issued its verdict, in principle accepting HCL's claims, setting an annual quantity of potash subject is compelled to sell HCL in a lower price, until 2030 (end of ICL's concession for potash from the Dead Sea). A nominated CPA calculated the compensation of ICL, saying ICL overcharged HCL in total sum of US\$ 48 million in 2009-2013. Consequently, in June 2016 HCL also filed a claim in the Tel Aviv District Court against subject, for the overcharge of NIS 185 million (converted from the said \$ amount). In that aspect, ICL reported that it now considering erecting its own KNO₃ plant (investment of US\$ 150 million) which will directly compete with HCL, on a global market which is valued at US\$ 1 billion per annum. In November 2016, the arbitrator made its final ruling, which exempts ICL from any compensation to HCL, but his verdict from 2014 on the future sale terms remains.

Apart from the above (and pollution violations claims, so far not appear significant), nothing unfavorable learned in the legal aspect (see more below on the business aspects).

A major issue concerns the rise in the Dead Sea water level (due to collecting salt from the Sea's ground near the plants area), which threatens to flood the touristic hotels area nearby. After negotiations with the Government, it was decided that ICL will finance 80% of the works in a project (salt harvesting project), designed to solve the problem, with estimated cost of over NIS 7 billion. Subject begun the construction of a new pumping station at the Dead Sea scheduled to be carried out until 2020, with an investment of US\$250 million.

ICL is ranked as the world's 6th largest potash manufacturer, with estimated 7% global market share.

It is also the world's largest producer of PK fertilizers (compound of potash and phosphate fertilizers) and the world's leading producer of specialty phosphates based on purified phosphoric acid. ICL is a multi-national concern, among the world's leading suppliers of minerals and one of the largest industrial concerns in Israel. ICL is considered of world leading company in the bromine market, with estimated production of 38% of the total elementary bromine production in the world and lead in the bromine-based flame retardant products market.

In the recent periods, ICL Group has been facing pressures from various aspects, including harsh competition and slowdown in global market and drop in prices in the potash and fertilizers fields, elevation of royalties on Israeli State resources, a large expense related to subject's plant, and others. All these, some detailed below, forced the Group to go through efficiency steps, including layoffs in its local manpower. That led in the beginning of 2015 to strikes in ICL's local southern plants, including subject's plants. After sanctions by the workers during 2014, in February 2015 subject's workers went on a full-scale strike in the Sodom facilities, resolved in May 2015. The damages to ICL due to the strikes caused loss in revenues of over US\$400 million in 1stH 2015, subject being the main casualty.

A major aspect for the concerns of ICL is the matter of revision in the State calculations of payments of royalties to the State for excavating and selling minerals (considered as natural resources). Following public pressure, in late 2010 the Israeli Parliament voted to cancel ICL Group's special tax benefits (NIS 2.3 billion in 2007-2011). After a long intensive debate, in November 2015 the government decided to adopt a special committee recommendations for a fixed royalties of 5% on revenues, plus elevating tax rates on high profits (of over 14%) on selling potash. The State also demanded ICL to compensate the State for unpaid royalties in years 2000-2009 and interest payments that emanated thereof, and in November 2016 mediation verdict determined that ICL should pay interest of US\$ 200 million.

In parallel, ICL has been also facing harsh competition and slowdown in global market and drop in prices in its main products in the potash and fertilizers fields.

In view of all the above, ICL decided to freeze further strategic investments in Israel in volume of US\$ 750 million (and on the other hand invest in overseas operations and sites), make structural changes and streamlining in the Group's operations and other divestments. On the other hand, ICL decided on investing in overseas operations and sites, mainly investments in potash production in Spain and U.K., potash reserves in Ethiopia, and phosphate reserves in China, both latter projects which carry high risk. However, ICL decided to terminate the project in Ethiopia, causing write-off of US\$ 202 million in the 3rdQ 2016, as well as a write-off ICL also made of US\$ 282 million due to termination of a large computerization project (in that regard, IBM is suing tens millions from ICL for the project cancellation).

OFER Group, which ISRAEL CORP. (IC) is part of, is a veteran holding company, one the largest and influential groups in the Israeli market, operating worldwide also in the fields of energy, shipping and other fields. IC made a strategic move in the 2ndH 2014, designed to boost the value of core businesses and lower its financial debt,

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including the sale offer for some 6% of ICL shares (some half in direct sale in public offering, listing ICL's shares on the NYSE, the rest in options given, in consideration of over US\$ 500 million), and a spin-off into 2 groups, leaving ICL and ORL in IC, and the other under newly established KENON HOLDINGS LTD. The move was completed in January 2015 and KENON's shares listed to trade via NYSE and via TASE. KENON has holdings in the fields of energy (IC POWER), automobiles (QOROS) and shipping (ZIM).

Subject is ISO 9001:2000, ISO-18001 and ISO-14001 certified.

In 1998 subject acquired control of Spain's potash production plants and establishes IBERPOTASH, for US\$ 120 million.

In 2002 ICL FERTILIZERS acquired CLEAVLAND-POTASH, England's sole potassium manufacturer, for US\$ 45 million.

In 2006 subject began exporting potash to China, and to India in 2007. During the 2nd quarter of 2015 ICL signed agreements to supply its customers in China and India with an aggregate of over 2 million metric tons of potash during 2015. In January 2016 ICL reported on signing framework agreements with China for supply potash in volume of 1.1 million tons in 2016 (in July 2016 ICL reported on signing contracts for supply of 700,000 tons, with options for more supply), 1.14 million tons in 2017 and 1.16 million tons in 2018. Earlier agreement with India was also signed for 600,000 tons (in value of US\$ 136.2 million, reflecting a 31% decrease in potash price from the previous year).

ICL shipped about 1.3 million tons of potash to Brazil in 2017, marking record annual sales for this market.

In June 2010 ICL signed transportation contracts with ISRAEL RAILWAYS for cargo from the Dead Sea and Negev Desert until 2021, in volume of NIS 1 billion.

In April 2011, ICL announced that its subsidiary CPL in the U.K., will receive £15 million grant from the British government for exploiting huge Polyhalite mine discovered in Teeside, England, next to the Group's potash mine.

As part of ICL's current expansion strategy plans (in view of the above said) include the investments in potash mines in Spain (see below), investing US\$ 60 million in a potash mine in the UK; and US\$ 1.5 billion in the erection of a potash mine in Ethiopia. In June 2015 ICL completed the acquisition of 100% of ALLANA POTASH CORP., a Canadian mining company engaged in the development of potash assets in Ethiopia, whose shares are traded on the Toronto Stock Exchange, for C\$137 million (mostly in cash) for 83.78% of ALLANA's outstanding shares that it did not already own. As noted above, ICL recently decided to back-off the Ethiopian venture, after the local government failed to provide the necessary infrastructure and regulatory framework needed for development, thus reaching conclusion that return on investment in the project does not justify its continuance. In May 2017, ICL filed a claim against the Ethiopian State for agreement violation related to ICL's investment. ICL is also investing hundred US\$ million in phosphate mining and process in China.

In June 2014 subsidiary in Spain ICL IBERIA signed a non-binding MOU with AkzoNobel, a major producer of specialty chemicals and a leading global paints and coatings company, for joint production and marketing of 1.5 million tons per year of high quality vacuum salt and 50,000 tons of white potash.

ICL Group's plants started to benefit from the shift of the Group's use in natural gas as energy source (replacing some of the ISRAEL ELECTRICITY CORP. conventional electricity power). In December 2017, ICL announced

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that it entered into a long-term agreement with ENERGEAN ISRAEL, for the supply of up to 13 BCM of natural gas at a value of US\$2 billion over a period of 15 years beginning in the 2ndH 2020. The agreement is expected to fully meet the ICL's gas requirements, including the operation of subject's new 240mW power stations in Sodom (ICL reported on investing US\$ 320 million in the erection), expected to commence commercial operation in the 1stQ 2018 (now in test-run).

In November 2015 ICL IBERIA/ IBER POTASH (IBP) and the Government of Catalonia signed a cooperation agreement, expected to ensure the continuation of ICL IBERIA's potash mining activities in the Bages Region of Catalonia, and that will regulate its entire mining operation, including environmental issues. The agreement includes the extension of the mining excavation by 30 years till 2065, with ICL investment of US\$ 1 billion (half already invested during the last couple of years) to reach 1.3 million tons of potash p/year, adding 500 new employees.

In March 2017 it was reported that ICL's Phoenix Project which started in 2011 in projected cost of € 500 million of uniting 2 potash quarries in Catalonia and expansion of production capacity, will be completed only by 2020, 4 years after the original plan, and with budget deviation, so far of € 80 million.

In January 2016 ICL purchased 15% of YTH, China's largest producer of phosphate rock and phosphate fertilizers, whose shares are traded on Shanghai Stock Exchange, for US\$ 250 million, as part of a joint venture between the two.

In September 2016, Mr. Asher Grinbaum, long-term senior in ICL who had just retired, was brought as an acting CEO, upon the immediate retiring of Stefan Borgas. In March 2018, Raviv Zoller was appointed as the CEO of ICL, though the date for stepping-in to post has not yet announced.

In March 2018, ICL's management announced on a new strategic plan, for maximizing the potash and phosphate production capabilities, including increasing potash production in Sodom to 4 tons per year, while reducing costs by 10%-15% within the next 5 years (also thanks to the new a/m power plant), cut 50% in England's potash Boulby site workforce and divert to producing a new potash-based specialty fertilizer in that site. ICL plans to enter the advanced agricultural solutions with that and other specialty fertilizers.

SUMMARY

Good for trade engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.81
UK Pound	1	INR 95.50
Euro	1	INR 85.62
ILS	1	INR 20.26

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	NIT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)